

Processing the Loan Package

Satellite and Streaming Video Lender Training

April 13, 2005



Student Materials

U S Department of Veterans Affairs – Veterans Benefits Administration
Loan Guaranty Service
Training Unit - 264B

<http://www.homeloans.va.gov/broadcast.htm>

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Course Outline

- 1) Veteran Eligibility
 - a. Obtaining a Certificate of Eligibility
 - Traditional method
 - Automated method (ACE)
 - b. Restoration of Entitlement
 - c. Calculation of VA Guaranty
- 2) Loan Application Process
 - a. Application
 - b. Certifications
 - c. Occupancy Requirement
 - d. Debts to Federal Government
 - e. Processing the Loan
 - Automatic Approval Procedures
 - Prior Approval Procedures
- 3) VA Appraisal - Property Eligibility
 - a. Types of Property Appraisals
 - b. NOV Conditions
 - c. Builder ID
- 4) Automated Underwriting Systems
 - a. Data Integrity
 - b. Automated Underwriting Certification
 - c. Feedback Certificate
 - d. Reduced Documentation
 - e. Lender Responsibility
- 5) Income, Credit and Asset Documentation
 - a. Identify & Verify Income
 - b. Credit Reports
 - c. Verification of Assets
- 6) Allowable Fees and Charges
 - a. Itemized fees and charges
 - b. Origination fees
 - c. VA Funding Fee

USEFUL WEB SITES

Address (URL)	What's There?
http://vip.vba.va.gov/	Veteran's Information Portal Single sign-in gateway to ACE, TAS and other applications
www.homeloans.va.gov	Lender's Handbook, VA forms, FAQs, e-mail addresses, information pamphlets, links to lists of VA acquired homes, VA Regional Office directory
www.tas.vba.va.gov	The Appraisal System (TAS), appraisal assignments and Notices of Value
http://tas.vba.va.gov/TAS/index.html	Automated Certificate of Eligibility Program (ACE)
www.homeloans.va.gov/elig.htm	Eligibility Centers (eligibility information, FAQs, download 26-1880)
www.vba.va.gov/pubs/forms1.htm	VA Forms
www.nara.gov/regional/mpr.html	National Personnel Records Center (Includes information regarding obtaining military personnel records.)
www.homeloans.va.gov/train.htm	Free training on the VA home loan program, including web-based, computer-based, videotapes, and interactive TV courses
http://homeloans.va.gov/mortlen1.htm	Find a VA approved lender in any location.
predesignteamfee@vba.va.gov	E-mail address to send comments or suggestions to the Loan Production Redesign Team
www.vba-roanoke.com/rlc/GILoans.asp	Order IRRRL Certificates of Eligibility

Regional Loan Centers

Atlanta, GA

Georgia, Tennessee, North Carolina, South Carolina

(888) 768-2132

Cleveland, OH

Ohio, Michigan, Indiana, Delaware, Pennsylvania,
New Jersey

(800) 729-5772

Denver, CO

Colorado, Wyoming, Montana, New Mexico,
Alaska, Utah, Idaho, Oregon, Washington

(888) 349-7541

Houston, TX

Texas, Arkansas, Oklahoma, Louisiana

(888) 232-2571

Manchester, NH

Maine, Massachusetts, Connecticut, Vermont,
New Hampshire, Rhode Island, New York

(Loan Administration)

(800) 827-0336

(Loan Production/Valuation)

(800) 827-6311

Phoenix, AZ

Arizona, Nevada, California

(888) 869-0194

Roanoke, VA

Virginia, West Virginia, Washington DC,
Maryland, Kentucky

(800) 933-5499

St. Paul, MN

Minnesota, Illinois, Iowa, Nebraska, Kansas,
Wisconsin, North Dakota, South Dakota, Missouri

(800) 827-0611

St. Petersburg, FL

Florida, Alabama, Mississippi

(888) 611-5916

Note: These Regional Offices also have fully functioning Loan Production offices:

San Juan, PR

Honolulu, HI

(787) 772-7212

(808) 433-0480

VA ELIGIBILITY CENTERS

Los Angeles VA Eligibility Center

Mail Service
Department of Veterans Affairs Eligibility Center PO Box 240097 Los Angeles, CA 90024

Toll Free: 1-888-487-1970 Telephone: (310) 235-6199, Ext. 8174

Web site: www.vahomes.org/la/home.htm

The Los Angeles VA Eligibility Center services the following states:

Alaska	Illinois	Nebraska	Texas
Arizona	Iowa	Nevada	Utah
Arkansas	Kansas	New Mexico	Washington
California	Louisiana	North Dakota	Wisconsin
Colorado	Minnesota	Oklahoma	Wyoming
Hawaii	Missouri	Oregon	
Idaho	Montana	South Dakota	

Winston-Salem VA Eligibility Center

Toll Free: 1-888-244-6711

Mail Service	Courier Service
Department of Veterans Affairs Eligibility Center PO Box 20729 Winston-Salem, NC 27120	Department of Veterans Affairs Eligibility Center 251 N. Main St. Winston-Salem, NC 27155

The Winston Salem VA Eligibility Center services the following states:

Alabama	Maine	New York	Virginia
Connecticut	Maryland	North Carolina	Vermont
Delaware	Massachusetts	Ohio	West Virginia
Florida	Michigan	Pennsylvania	
Georgia	Mississippi	Rhode Island	District of Columbia
Indiana	New Hampshire	South Carolina	
Kentucky	New Jersey	Tennessee	

Note: Eligibility Certificates are also available from:

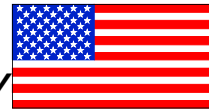
San Juan, PR

Honolulu, HI

(787) 772-7212

(808) 433-0480

QUICK REFERENCE FOR VA ELIGIBILITY



VETERAN'S ENTITLEMENT FOR LOAN GUARANTY BENEFITS

ERA	DATES	MINIMUM SERVICE*
WWII	9/16/40 - 7/25/47	90 continuous days
Peacetime	7/26/47 - 6/26/50	181 days
Korean	6/27/50 - 1/31/55	90 days
Post-Korean	2/1/55 - 8/4/64	181 days
Vietnam	8/5/64 - 5/7/75	90 days
Post-Vietnam (Enlisted)	5/8/75 - 9/7/80	181 days
Post-Vietnam (Officer)	5/8/75 - 10/16/81	181 days
Post-Vietnam (Enlisted)	9/8/80 - 8/1/90	2 years
Post Vietnam (Officer)	10/17/81 - 8/1/90	2 years
Persian Gulf	8/2/90 - undetermined	2 years or period called to active duty, not less than 90 days

OTHER ELIGIBLE PERSONS	MINIMUM SERVICE REQUIRED
Active duty member**	90 continuous days (181 during peacetime)
Active Reserve or National Guard	6 years in Selected Reserves
Unremarried surviving spouse***	No time requirement. Veteran must have died on active duty or from a service-connected disability.
POW/MIA spouse	Veteran must have been POW or MIA 90 days.

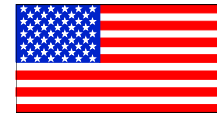
**A veteran who has served less than the minimum required period of service or was discharged because of a service-connected disability, may be eligible for home loan benefits. Other categories of exceptions can be found in Chapter 2, Section 5 of the Lender's Handbook.*

***Certificate only valid while veteran remains on active duty*

****For IRRRLs only, the surviving spouse of a deceased veteran may do an IRRRL using the veteran's Certificate of Eligibility. The spouse, in this case, does not have separate entitlement.*

INELIGIBLE SERVICE:

World War I, Active duty for training in Reserves, Active duty for training in National Guard (*Unless "activated" under authority of Title 10, U.S. Code*)



PROOF OF SERVICE

DD-214

The DD-214 is the most common type of proof of service. It has been issued to veterans discharged from all branches of service since January 1, 1950.

What to look for?

- ✓ Veteran's name while in the service
- ✓ Branch of Service
- ✓ Social Security Number
- ✓ Date of Birth
- ✓ Dates of Service (entry date, discharge date, and net active service)
- ✓ Character of Service*
- ✓ Lost Time

NOTE: After October 1, 1979, the form was revised and veterans were issued a "Member-1" and a "Member-4" copy of the DD-214. The "Member-4" copy must be submitted with the VA Form 26-1880 as the character of service and time lost are listed on this form.

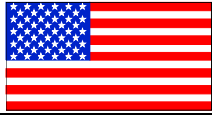
*Any one of the following may be listed in the Character of Service section of the DD-214:

Type of Discharge for Active Duty Veteran	Action
Honorable (HON)	Acceptable
Under Honorable Conditions (UHC)	Acceptable
General (GEN)	Acceptable
Other Than Honorable (OTH)	Requires Adjudication Review
Bad Conduct	Requires Adjudication Review
Dishonorable	Unacceptable

NOTE: The only acceptable character of service for a veteran who served in the Selected Reserves/National Guard is "HONORABLE".

DD-215 - The DD-215 is issued to correct any wrong information on a DD-214. When a veteran submits a DD-215, the DD-214 must also be included.

PROOF OF SERVICE



Proof of Service Prior to 1950

Prior to 1950, each branch of the service issued its own separate proof of service:

Army	WDAGO #53-55
Navy	NAVPERS-553
Air Force	WDAGO #53
Marines	NAVMC78

All required eligibility information is included on the above-listed types of separation forms. However, the information may be difficult to locate as the forms do not have a uniform format.

Certificate of Military Service

The Certificate of Military Service is issued to veterans by the National Personnel Records Center (NPRC) as a substitute for a copy of the actual discharge papers. NPRC issues this record because the original proof of service was lost or destroyed. This is an official document and can be used for verification of military service. It shows the entry date, discharge date and character of service.

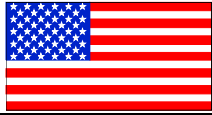
ACTIVE DUTY

Statement of Service

A Statement of Service is required as proof of service when a veteran is serving on active duty or when a reservist continues to serve in the Selected Reserves. There is no official format, but it is usually prepared on military letterhead or is computer generated by the branch of service.

- An acceptable letter will show the veteran's name, service/Social Security number, date of birth, any lost time or breaks in service and date of entry into active duty or the Selected Reserves. If the Statement of Service does not reference any lost time, it should be assumed there was none.
- The character of service is not generally provided on this type of proof of service. When it is not stated, the character of service should be considered "Honorable".
- Finally, the letter should be signed by the adjutant, personnel officer or commanding officer of the unit.

PROOF OF SERVICE



Reservist/National Guard

Unlike members of regular components of the Armed Forces, there isn't one standard form given to members of the Reserves or Guard. Generally, members of the Reserves/Guard will have some type of points summary detailing participation in the Selected Reserves.

The following documents are usually acceptable to establish eligibility:

Reserve/Guard Branch	Required Proof of Service
Army/Air National Guard	NGB-22, Report of Separation and Record of Service
Army Reserve	DARP Form 249-2-E or ARPC Form 606, Chronological Statement of Retired Points
Navy Reserve	NRPC 1070-124, Annual Retirement Point Record
Air Force Reserve	AF-526, Point Summary Sheet
USMC Reserve	NAVMC-798
Coast Guard Reserve	CG-4175

Discharge Certificate

The discharge certificate is issued to both regular military and reservist veterans. It can be used as proof of character of service for a reservist when only a points statement is available.

Note: The minimum required length of service for a Reserve/National Guard member is six (6) years of active reserve duty.



Lender Certification
Lender's Handbook, Chapter 4, Section 1. d.

An officer of the lender authorized to execute documents and act on behalf of the lender must complete the following certification:

"The undersigned lender certifies that the loan application, all verifications of employment, deposit, and other income and credit verification documents have been processed in compliance with 38 CFR Part 36; that all credit reports obtained in connection with the processing of this borrower's loan application have been provided to VA; that, to the best of the undersigned lender's knowledge and belief, the loan meets the underwriting standards recited in Chapter 37 of title 38 United States Code and 38 CFR Part 36; and that all information provided in support of this loan is true, complete and accurate to the best of the undersigned lender's knowledge and belief."

AUS Certification
Lender's Handbook, Chapter 4, section 8. b.

Because the AUS system will be making the determination that the loan satisfies credit and income requirements, cases receiving an "Accept" or "Approve" rating will not require the underwriter's certification on VA Form [26-6393](#), Loan Analysis (items 50 through 54). Instead, lenders will need to complete the following certification on "Accept" or "Approve" loans:

"I, the undersigned lender, hereby certify that case number (insert VA loan number) was processed through _____ and received an 'Accept/Approve' rating. I further certify that all information entered into the system has been verified and that any credit discrepancies have been reconciled."

A representative of the lender must sign this certification. The certification and a copy of the AUS Feedback Certificate (which indicates the risk classification) must be maintained with the origination package.

IRRRL Certification
Lender's Handbook Reference – Chapter 6, Section 1. 1.

I certify that the loan being refinanced was current (not 30 days or more past due) at the time of closing.

Statement - Membership in Reserves or National Guard

Reference the Lender's Handbook, Chapter 2, section 2. m. - Statement affirming the borrower's status relative to membership in the Reserves/National Guard

When activated with the Reserves or Guard, veterans whose loans are in process or ready to close may be subject to a sharp reduction in income. It's important to recognize that activated reservists whose incomes are reduced may be unable to qualify for the loan they're seeking. Therefore, except in cases where the veteran is currently serving on active duty and qualifying income is derived from such service, lenders must determine if a veteran is a member of a Reserve or National Guard unit. If so, lenders must ascertain if the veteran has been notified of a mobilization of his or her unit. If the veteran is in a unit with actual orders for mobilization, the loan must be underwritten on the basis of the veteran's income on active duty. Effective immediately lenders must obtain a statement which affirms that a veteran-applicant's status relative to membership in the Reserves or Guard, has been ascertained and considered. The statement should be made part of the origination package and submitted in the event the loan is selected for full review by a VA office.

Verification of VA Benefit-Related Indebtedness

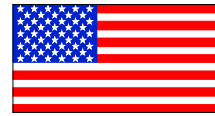
Reference Lender's Handbook, Chapter 4, section 6. a.

Ask the veteran and any veteran co-obligors (including spouse if a veteran) these questions:

- 1.Are you receiving VA disability benefits?
- 2.Would you be entitled to receive VA disability benefits but for the receipt of retired pay?
- 3.Have you received VA disability benefits in the past?
- 4.Are you the unmarried surviving spouse of a veteran who died on active duty or as a result of a service-connected disability?

under 1 of the above categories, follow the procedures discussed under "Debt Related to VA Benefits," subsection b. Submit the "Verification of VA Benefit-Related Indebtedness" form (VA Form 26-8937) to the RLC of jurisdiction.





Prior Approval Loan Types

Lender's Handbook, Chapter 1, section 1. g.

All lenders, whether or not they have automatic authority, **must** submit the following types of loans to VA for prior approval.

- Joint loans
- Loans to veterans in receipt of VA nonservice-connected pension.
- Loans to veterans rated incompetent by VA.
- Interest Rate Reduction Refinancing Loans (IRRRLs) made to refinance delinquent VA loans.
- Manufactured home loans (except when the manufactured home is permanently affixed to the lot and considered real estate under state law) **unless** the lender has been separately approved for this purpose.
- Cooperative loans.
- Unsecured loans or loans secured by less than a first lien.
- Supplemental loans.

[on builder's letterhead]

Builder Information and Certifications **VA Loan Guaranty Program**

1. This is to certify that this company:
 - a) Will not use any marketing practices or sales contracts which include features considered by VA to be unfair or prejudicial to veteran-purchasers per Section 9.08 of the VA Lenders Handbook. I understand that the closing of the loan denotes that the builder has determined that the contract is acceptable to VA.
 - b) Will construct every property which is to become the security for a VA-guaranteed loan to substantially conform to applicable building codes, applicable VA requirements and the standards of quality as measured by acceptable trade practices.
2. In cases processed by VA as "proposed or under construction", I understand that all construction must equal or exceed that shown or described in the construction exhibits used by VA to appraise the property and that, in any conflict between those construction exhibits and the applicable VA minimum property requirements, the latter will govern; and that VA will consider changes to those exhibits to be binding only when they are listed on a properly executed VA Form 26-1844, Request for Acceptance of Changes in Approved Drawings and Specifications; and that I will be proceeding at my own risk in changing or deviating from those exhibits without advance VA approval.
3. A fully executed VA Form 26-421, Equal Employment Opportunity Certification, and VA Form 8791, VA Affirmative Marketing Certification, is either attached or was previously submitted to VA.
4. Names of all persons who have a controlling or proprietary interest in this company or are principal shareholders, officers or directors. This company agrees to keep this list updated with VA:

_____	_____
_____	_____
_____	_____

Name (*Type or print*) _____ Title _____

Signature _____ Date _____

**EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION**

The undersigned understands and agrees that it is the "applicant" within the meaning of 38 CFR 36.4391.

To induce the Department of Veterans Affairs (VA) to act on any request submitted by or on behalf of the undersigned for establishment by VA of reasonable value(s) relating to proposed construction, the undersigned hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work or modification thereof, as defined in the rules and regulations of the Secretary of Labor relating to the land or housing included in its request to VA, the equal opportunity clause contained in 38 CFR 36.4392 and printed on the reverse of this form.

The undersigned further agrees that it will be bound by the equal opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of Government.

The undersigned agrees that it will cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance. The undersigned further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, subpart D of Executive Order 11246 and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon the contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, subpart D of Executive Order 11246.

In addition, the undersigned agrees that if it fails or refuses to comply with these undertakings such failure or refusal shall be a proper basis for cancellation by VA of any outstanding master certificates of reasonable value or individual certificates of reasonable value relating to proposed construction, except in respect to cases in which an eligible veteran has contracted to purchase a property included on such certificates, and for the rejection of future requests submitted by the undersigned or on his or her behalf for appraisal services, until satisfactory assurance of future compliance has been received from the undersigned, and for referral of the case to the Department of Justice for appropriate legal proceedings.

NAME OF FIRM

ADDRESS OF FIRM

SIGNATURE

TITLE

DATE

EQUAL OPPORTUNITY CLAUSE

(Extract of 38 CFR 36.4392)

"During the performance of this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations and advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

"(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

"(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulation or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

"(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

DEPARTMENT OF VETERANS AFFAIRS

VA AFFIRMATIVE MARKETING CERTIFICATION

To induce the Department of Veterans Affairs to act on any request submitted by or on behalf of the undersigned applicant for a master certificate of reasonable value on proposed or existing construction or for appraisals of individual existing housing, not previously occupied, the undersigned hereby agrees:

1. That neither the applicant nor anyone authorized to act for it will decline to show or sell any property included in such request to a prospective veterans purchaser because of his or her race, color, religion, sex, handicap, familial status or national origin;
2. To apprise minority and female veteran homebuyers of the availability of the housing offered by the applicant conforming all advertising to the VA Advertising Guidelines for Fair Housing;
3. To maintain a nondiscriminatory hiring policy and provide all marketing staff with written instructions on land training in affirmative marketing techniques;
4. To prominently display the Equal Housing Opportunity poster in each place of business where the housing is offered for sale by the applicant;
5. To incorporate the equal housing opportunity logo, slogan or statement as outlined in the VA Advertising Guidelines for Fair Housing in all advertising, including outdoor signs, radio, television, newspaper and other printed materials;
6. That noncompliance with the foregoing requirements may constitute a basis for the Secretary to refuse to appraise properties with which the applicant is identified. The Secretary may also refuse to appraise where the applicant has been denied participation in HUD programs.



SIGNATURE

DATE

NAME *(Type or print)*

TITLE

COMPANY

ADDRESS OF COMPANY

SEE REVERSE FOR VA ADVERTISING GUIDELINES FOR FAIR HOUSING

ADVERTISING GUIDELINES FOR FAIR HOUSING

Section 804(c) of Title VIII of the Civil Rights Act of 1968, as amended, prohibits advertising housing for sale or rent in a manner that indicates a preference for or against potential homebuyers because of their race, color, religion, sex, handicap, familial status or national origin.

For persons engaged in or associated with advertising housing for sale or rent, the following guidelines are provided to assist in complying with VA's affirmative marketing program.

1. All advertising of residential real estate for sale or rent will contain as Equal Housing Opportunity logo, slogan or statement as a means of advising the homeseeking public that property is available to all persons regardless of race, color, religion, sex, handicap, familial status or national origin.

a. Equal Housing Opportunity logo:



If other logos are used in the advertisement, the Equal Housing Opportunity logo should be of a size comparable to other logos.

b. Equal Housing Opportunity Slogan:

**EQUAL HOUSING
OPPORTUNITY**

c. Equal Housing Opportunity Statement: We are pledged to the letter and the spirit of the United States policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

2. If human models are used in display advertising campaigns, the models will be clearly definable as reasonably representing all potential homebuyers in the metropolitan area. Models if used, will indicate to the general public that the housing is open to all without regard to race, color, religion, sex, handicap, familial status or national origin.

3. It should be noted that selective use of these guidelines could be considered an effort to circumvent fair housing advertising, and thereby in noncompliance with Federal regulations. Selective use is defined as using the guidelines of the Equal Opportunity logo or slogan only:

a. when advertising a particular housing development, and not another development with housing units also available for sale; or

b. in advertising media that reaches a limited or particular section of the community to the exclusion of other geographic sections within the same community.

4. In respect to classified newspaper advertising, it is not necessary to insert the logo, slogan or statement in each classified ad if at the beginning of the real estate advertising section there appears a notice reading as follows:

"All real estate advertising in this newspaper is subject to the Federal Fair Housing Act of 1968, as amended which makes it illegal to advertise 'any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status or national origin, or an intention to make any such preference, limitation, or discrimination.' This newspaper will not knowingly accept any advertising for real estate which is in violation of the law. Our readers are hereby informed that all dwellings advertising in this newspaper are available on an equal opportunity basis."

VA FUNDING FEE



VA Funding Fee Requirement

The law requires that VA be paid a funding fee with guaranteed loans. This fee helps to defray the cost of the home loan program. The only exceptions to this fee are for loans made to veterans receiving VA compensation for service-connected disabilities, or who, but for receipt of retirement pay, would be entitled to receive compensation, and loans made to surviving spouses of veterans who died in service or from service-connected disabilities.

The Funding Fee is assessed as follows:

Purchase and Construction Loans

Veteran Type	Down Payment	Percentage for First-Time Use	Percentage for Subsequent Use
Regular Military	None	2.15%	3.3%
	5% or more	1.50%	1.50%
	10% or more	1.25%	1.25%
National Guard/ Reserves*	None	2.4%	3.3%
	5% or more	1.75%	1.75%
	10% or more	1.5%	1.5%

*A National Guard/Reservist member who has been on active duty under Title 10 for 90 days or more will be considered "Regular Military" for funding fee purposes.

Other Loans

Type of Loan	Percentage for Either Type of Veteran
Interest Rate Reduction Refinance (IRR)	.50%
Manufactured Home Loans (not on permanent foundation)	1.00%
Loan Assumptions	.50%

NOTE: Unlike FHA's Mortgage Insurance Premium (MIP), the VA Funding Fee is non-refundable

VIDEOTAPES, STREAMING VIDEOS & CD's AVAILABLE

As a service to our private-sector partners, Loan Guaranty makes available the tapes of our interactive televised training broadcasts. Costs of taped broadcasts are \$34.95 per tape. Tapes will be available after each broadcast by calling **Multi Video Services at 1-800 800-DUBS (3827)**.

2004 & 2005 Broadcast Tapes Available:

- Lender Appraisal Processing Program – February 9, 2005
- Closing the Loan Package – March 16, 2005
- Active Duty Issues – January 21, 2004
- Credit Underwriting – February 11, 2004
- Fee Appraiser Training – March 17, 2004
- Real Estate Professionals Panel– April 7, 2004
- Processing the Guaranty – May 11, 2004
- Lender Appraisal Processing Program – June 16, 2004
- What's New / Web Based Loan Summary Sheet – September 15, 2004

Streaming Internet and Videos

Loan Guaranty has produced 18 short training videos (10-20 minutes in length) to support lender training on the various aspects of the VA Home Loan Program. The videos are available via On-Demand streaming video at <http://www.homeloans.va.gov/train.htm> or for purchase (\$19.95 each) in VHS format from **Multi Video Services at 1-800-800 DUBS (3827)**.

Short VideoTitles:

- Overview of the VA Home Loan Program
- VA Appraisals
- VA Minimum Property Requirements (MPRs)
- VA Eligibility
- Underwriting Self Employed Borrowers
- Bankruptcy in Underwriting
- ACE Update - Automated Certificate of Eligibility
- Appraisal Appeal
- Loans for Newcomers
- Credit Issues in Underwriting
- Automated Underwriting Systems
- Thinking of Refinancing?
- Energy Efficient Mortgages
- Proposed vs. New Construction
- TAS (The Appraisal System)
- Working with VA (Becoming a VA Approved Lender)
- Thinking of Buying a Home?
- Thinking of Selling Your Home?

Information on the VA Home Loan Program for Real Estate Professionals

This award winning interactive CD is available at no cost from Regional Loan Centers. It dispels myths about VA Home Loan procedures and contains basic information about the home loan program and website links.

COURSE EVALUATION

Please use your keypad to answer the following questions. The last digit in the number displayed on your keypad corresponds to the questions below. The possible response choices will be displayed on your keypad. After entering your response, press the "NEXT QUEST" key to see the next set of responses. You may change a response to a previously answered question by using the "PREV QUEST" or "NEXT QUEST" keys to scroll to the answer you want to change and enter a new response. When you have answered all the questions, you will be prompted to answer this additional question: "Exam Completed?" If you are finished, please answer "Yes" by pressing the corresponding function key.

For items 1-10 below, please rate the extent to which you agree with each of the statements by selecting:

A - you strongly agree B - you agree C - you disagree
D - you strongly disagree E - item not applicable

1. The broadcast was relevant to my job needs.
2. The broadcast met the stated objectives.
3. The student materials facilitated my understanding of the course.
4. I feel that I can apply what I have learned in this broadcast.
5. The visuals used during the class helped me learn the course content.
6. The instructors demonstrated a firm grasp of the subject matter.
7. The instructors communicated the material effectively.
8. I was able to get my questions answered.
9. Participants at my site were attentive to the broadcast.
10. Interactive distance learning was an effective method for this course.

For 11-14 below, select the appropriate option by entering A, B, or C.

- | | | | |
|---------------------------|----------------------|------------------------|-----------------------|
| 11. Length of broadcast: | A - too short | B - about right | C - too long |
| 12. Amount of information | A - too much | B - about right | C - too little |
| 13. Complexity of course | A - too basic | B - about right | C - too hard |
| 14. Pace of course | A - too slow | B - about right | C - too fast |

For questions 15-16, please rate degree to which you were satisfied with the instructors and course by selecting:

A - very satisfied B - satisfied C - neutral
D - dissatisfied E - very dissatisfied

- | | | | | | |
|--|---|---|---|---|---|
| 15. How satisfied were you with the instructors? | A | B | C | D | E |
| 16. How satisfied were you with the course? | A | B | C | D | E |

At this time, "Exam Completed?" should appear on your response keypad. Pressing "N" will allow you to go back and review and/or change any answers. Pressing "Y" indicates that your evaluation form is complete.

Thanks for your help